DOCUMENT RESUME

ED 038 790 EC 005 430

AUTHOR	Copeland, William C.
TITLE	Financing Rehabilitation Services.
INSTITUTION	National Citizens Conference on Rehabilitation of the Disabled and Disadvantaged, Washington, D.C.
SPONS AGENCY	Social and Rehabilitation Service (DHEW), Washington, D.C.
PUB DATE	69
NOTE	41p.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 ($0.25)
EDRS PRICE	EDRS Price MF-$0.25 HC Not Available from EDRS.
DESCRIPTORS	Administrator Guides, Agencies, Child Care Centers, *Disadvantaged Groups, *Federal Aid, Federal Programs, Financial Support, *Handicapped, Health Services, *Human Services, Models, *Rehabilitation, Social Services, State Aid, State Federal Aid, Welfare Services

ABSTRACT

Extension of rehabilitation services is proposed, extension to include the disadvantaged, involve more federal agencies, and utilize federal financing for related human services programs. Basics of federal funding for rehabilitation are discussed, including the methods of apportionment, eligibility criteria, and multiple programs as well as interchangeability of program monies, services, and people and other points. Means of obtaining additional federal funds reviewed involve state and local activity within individual programs. The appendix, which makes up about one-half of the document, outlines a procedure for deciding on alternative public assistance matching strategies, lists federal programs and amounts of appropriations, and presents a sample day care program. (JD)

National Citizens Conference on Rehabilitation of the Disabled and Disadvantaged

Financing Rehabilitation Services

Published for the National Citizens Conference by:
U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Social and Rehabilitation Service
Washington, D.C. 20201

SRS

Financing Rehabilitation Services

by
William C. Copeland
President of Copeland Associates, a Washington, D.C. consulting service for governments on financial and program development.

Published for the National Citizens Conference
on Rehabilitation of the Disabled and Disadvantaged by:
U.S. DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE
Social and Rehabilitation Service
Washington, D.C. 20201

SRS

"Financing Rehabilitation Services" is one of a series of five papers prepared for the use of delegates to the National Citizens Conference on Rehabilitation of the Disabled and Disadvantaged which was held in Washington, D.C., June 24–27, 1969. Other papers in the series are: "Legal Rights of the Disabled and Disadvantaged", "Delivering Rehabilitation Services", "Consumer Involvement in Rehabilitation", and "The Goal is Mobility" (dealing with the architectural barriers problem). "People Power" (a report of the conference) has also been published.

All papers were written under contract with the Social and Rehabilitation Service of the U.S. Department of Health, Education, and Welfare. The opinions expressed are those of the authors and/or members of the Conference Work Groups who requested the papers and aided in their preparation. The views do not necessarily reflect policies or opinions subscribed to by the Department of Health, Education, and Welfare.

Members of the Conference Work Group on financing and the agencies they represented were:

Chairman: Harold Hagen, American Public Welfare Association

Vice-Chairman: Mrs. Virginia Pearce, United Ostomy Association, Inc.

Jules Berman, U.S. Department of Health, Education, and Welfare, Social and Rehabilitation Service

John Gunther, Conference of Mayors of the United States

Mrs. Carol Hecklinger, U.S. Department of Health, Education, and Welfare, Health Services and Mental Health Administration

Foy Lunsford, U.S. Department of Health, Education, and Welfare, Social Security Administration

William Peace, Southern Rural Project, National Sharecroppers Fund

Charles Roach, U.S. Department of Health, Education and Welfare, Health Services and Mental Health Administration

Don Russell, Council of State Administrators of Vocational Rehabilitation

Karl Schlotterbeck, Chamber of Commerce of the U.S.

Theodore Schuchat, National Social Welfare Assembly

Robert J. Smithdas, Industrial Home for the Blind

Noble Swearingen, American Public Health Association

George T. Welch, Health Insurance Council

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C., 20402—Price 25 cents

Table of Contents

Page

Introduction 1
Extending the Reach of Rehabilitation .. 3
The Basics of Rehabilitation Funding .. 7
How to Obtain Additional Funds 13
A Defense of the Author's Suggestions .. 18
Appendix 20

A. A Procedure for Deciding on Alternative Public Assistance Matching Strategies

B. A List of Federal Programs and Amounts of Appropriations

C. An Example—Day Care

Acknowledgments

The basis for this paper began in an outline by the author of a proposed economic model for the maximization of the flow of Federal funds into a State, given the constraint that spending on any current State program did not decline. There was little opportunity to examine the effects of such a model, however, until Norman Lourie, Deputy Secretary of the Pennsylvania Department of Public Welfare, invited the author to investigate the structure and functioning of a public welfare department from an operations research point of view in 1967. Since that time, with the very considerable aid of Mr. Jack Wedemeyer, Director of the Technical Assistance Project (TAP) of the American Public Welfare Association, Mr. Stanley J. Brody, former Southeastern Regional Director of the Pensylvania Department of Public Welfare (who has been very successful in making many of these ideas actually take flesh), and Mr. Tom Joe (who wrote the TAP pamphlet on *Finding Welfare Dollars* during the time that he was a consultant to TAP and was developing the legislative consequences of these ideas as Social Welfare Consultant in the California Legislature), the author has developed these ideas further.

Many of the ideas in the paper were originated by other members of this group, and many were developed cooperatively. Because of the tremendous pace of change in the organization and financing of human services, a number of these ideas will soon be outmoded. Nevertheless, the principles and the method of approach can be used as a basis for planning in these areas, regardless of the particular program configuration confronting a State or locality. A number of States, counties, and cities are now using these ideas as useful ways to provide incentives to the provision of unified services to the disadvantaged and disabled; it is my hope that many more can go and do likewise.

Introduction

The vocational rehabilitation program, as it has grown over the years, has been extremely successful. But its very success, and the cries of the disabled and disadvantaged for a share of the common life, have brought it huge, almost unmanageable, new responsibilities. Those responsibilities demand a response from those who work in behalf of the disabled and disadvantaged which is many times larger than any given before. If the response is to be given, the amount of money and manpower and growth in productivity available in their behalf must also grow to that size.

As it turns out, the financial basis for growing to the size of our challenge already exists, if we will but use it. It exists not only in the Vocational Rehabilitation Act but also in the Social Security Act which speaks of "rehabilitation and other services . . . to needy and dependent children and the parents or relatives with whom they are living to help maintain and strengthen family life and to help such parents or relatives to attain or retain capability for the maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection. . . ." Other legislation in the human services areas carries the same tone.

Our goals, which are the financial independence and vocational independence of the poor who can work, and as much personal independence as is possible for those who cannot, may require great revisions of the social and economic structure, as many of the young appear to be saying. However, our own analysis of current legislative authority for rehabilitative services makes it clear that the job can be carried out under current authority, if we have the will. This paper, including the appendix on estimates of currently and potentially available funds, is an attempt to detail what it is possible to use now in financing those needed services.

Extending the Reach of Rehabilitation

No one knows how much money is *actually* available for financing rehabilitation services in this country today. Nor does anyone know the amount which is *potentially* available for these purposes. What *is* known is:

Currently, no less than ½-billion dollars per year are available for financing such services, and potentially more than 14 billion dollars per year are available to finance such services.

The estimate of potential funds does not res. on any assumptions of radical Congressional action; it is based upon legislative initiatives already passed by Congress, and upon incentives that Congress has put into the relevant laws.

The reason for the difference between the size of actual and potential funds arises out of the varying definitions of rehabilitation and rehabilitative services, to whom the services are applied, and for what purposes.

The term "rehabilitation" is used to connote both a concept and an agency. Because of the successful use of the concept by rehabilitation agencies, the possibilities of application of the concept have spread far beyond the original confines of those agencies.

Within the Rehabilitation Services Administration, the current incarnation of the Federal rehabilitation agency, the amount available for services (by definition, "rehabilitation money") is about 500 million dollars as of fiscal 1969.

However, "rehabilitation" has been extended—or can be further extended—in several ways. One extension is conceptual, extending the meaning of the concept to the disadvantaged. As an organizational implementation of the extension of the concept, the Social and Rehabilitation Service was created, so that rehabilitation methods could be extended to those disadvantaged who had not been included in the rehabilitation concept before.* With this reorganization, the medically needy, the assistance recipient, and those in danger of joining either group have been included within the target population of rehabilitation services. Thus, social service funding, which had begun to have a rehabilitative orientation with the 1962 Amendments to the Social Security Act, is to be fully oriented toward rehabilitation.

The use of the rehabilitation concept can be extended to agencies not formally connected with the rehabilitation agency of the Department of Health, Education, and Welfare. Programs administered by other agencies of this Department—notably the Social Security Administration and the Public Health Service—as well as by other Federal agencies such as the Veterans Administration, the Department of Defense, the Office of Economic Opportunity, the Department of Labor, the Department of Commerce (Economic Development Administration), the Department of Justice, and the Department of Housing and Urban Development can be shown to be intimately connected to the concepts and methods of the rehabilitation of the disabled and disadvantaged. Therefore, certain portions of their funds can be considered available for funding rehabilitation services. The programs and target groups involved will be considered in some detail in the appendix.

Because the term "rehabilitation" is, to some extent, what we make of it, the listing of those funds "available for rehabilitation" also rests upon our definition of what rehabilitation is and how it takes place. The author's point of view is that funds provided specifically for rehabilitative services (or for potentially rehabilitative services) are only part of the financing of enhanced economic and personal independence. These funds are only one instrument of several. Income maintenance funds serve as a "time-buying" instrument, i.e., purchasing the time during which

*Rehabilitation has always been concerned with the disadvantaged, in at least two ways: (1) Physical impairment which results in vocational difficulties tends to rise with higher probability among people who are already poor, and (2) Becoming physically impaired is one of the great causes of poverty among those who were previously numbered among the nonpoor. The current extension of the rehabilitation concept applies it to the poor who are not physically impaired.

special services can be rendered. Further, the availability of such funds frees up the services accounts from also having to purchase the client's time for services, and thus allows for expanded services. Economic development funds can provide jobs for those being trained for jobs and financing for the construction of service facilities. Therefore, other funding sources which are instrumentally related to the provision of successful rehabilitative services can be successfully exploited, if the concerted use of these funds is explicitly planned for.

Since so many of these funds are Federally-appropriated, we shall concentrate on Federal funds which are available. Such detail as can be provided here will not be adequate in specifying the use of such funds; the estimates of the proportions of the appropriated funds which can be used for rehabilitative purposes, either directly or indirectly, are arbitrary; the choice of the accounts out of which funds may come is also somewhat arbitrary. Nevertheless, the list provided in the Appendix will give some idea of the amount of funds available, and their sources.

There is yet a third kind of extension, an extension of the concept of *financing* for rehabilitation services. There has been much discussion of the fragmentation of human services, at Federal, State, and local levels for years. Until recently, however, there was very little that could be done about it. Financing for any human services program was related directly to that program and only to that program. Any unification of programs was impossible, sometimes because of specific legal prohibitions, more often because of the lack of law, precedent, and administrative instruments for achieving such unification of programs. This situation has been changing for the past six years; in 1967 and 1968, it began to change drastically. The amendments to the Vocational Rehabilitation Act and the Social Security Act in those years started to make it possible to extend rehabilitation programming concepts from one program to another. This process is still going on. Many legal and administrative instruments remain to be created. Nevertheless, it is now possible to relate financing for one kind of a program, such as vocational rehabilitation, to financing for other programs, such as vocational education, social services, veterans' assistance, neighborhood health centers, and many others. Much of the emphasis in this paper will be placed on this aspect of the financing of rehabilitation services.

We place strongest emphasis on these Federal resources because the tremendous job of rehabilitating the disadvantaged and disabled in this country can be carried out successfully only if we can extend the financing available from one-half billion dollars per year to somewhere in the neighborhood of the more than 14 billion dollars per year that is potentially available.

The Basics of Rehabilitation Funding

The last eight years have seen a revolution in providing services for the poor, with an increasing recognition of the multiple problems of the poor and the coordinating of multiple-service programs which must be provided by a number of agencies.

Therefore, it is important to make it possible for welfare administrators and administrators of allied agencies to develop multi-service, multi-agency packages which get services to people. The situation at present is chaotic, with a congeries of differing administrative requirements, legal and administrative blocks to cooperation, and widely varying Federal financing provisions. Part of this chaotic situation can be used to cure it: the varying proportions of Federal funds which are authorized for State and local programs can be used as powerful incentives to reach the goal of providing services. That is, by putting up more State and local dollars, more Federal dollars can be obtained for needed services. This can be a powerful inducement to citizens, legislators, and administrators to increase the services needed to rehabilitate the disadvantaged and disabled—thus implementing Congressional and Administration intent. It is a purpose of this paper to provide knowledge about these Federal financial incentives.

How Federal Funds Are Apportioned

To understand how to use these incentives, the first important thing to understand is the Theory of Matching Ratios. While the mathematical properties of ratios and proportions may be confusing or boring, depending upon the mathematical ability of the reader, the fact remains that knowing how they work is worth millions of dollars to the people of a State. The writer has seen small States losing ten to twenty millions of dollars per year because they did not understand the subject.

Funding rules differ for many programs. For example, public welfare programs contain Federal matching rates of 50, 75, 80, 85, and 90 percent. Vocational rehabilitation programs have 75, 80, and 90 percent rates. Vocational education programs range from $33^1/_3$ to 90 percent. The differing rates can be expressed as the number of Federal dollars bought by one State dollar. The table below provides the information in terms of this method:

Federal Matching Rate	*Number of Federal Dollars Attracted Per State Dollar Invested in Program*
33 ⅓	$ .50
50	1.00
60	1.50
75	3.00
80	4.00
85	5.67
90	9.00
95	19.00

An examination of the table quickly makes it evident that percentage rates are deceptive. A ten percent increase (or decrease) in matching rates in the 50–60 percent region has much less effect than a ten percent change in the 80–90 percent region. A ten percent increase in the first region "buys" only one-half again more Federal dollars than before; a ten percent increase in the second region "buys" 2.25 more Federal dollars than before. Also, matching rates near 100 percent are extremely favorable economically to a State. For example, an 80 percent matching rate means that one State-local dollar "buys" four Federal dollars. Such favorable purchase rates are themselves very persuasive to city councils, county supervisors, and State legislators. However, there is more to it than this. If the money is used within a Model City area for a new service, Model Cities supplemental money may be used as 80 percent of the local matching. As a result, new local money for such services amounts to only 4 percent of total spending. For 75 percent matching programs, new local money would be 5 percent. For 50 percent matching programs, new local money needed would be 10 percent. In these cases, local money would be purchasing 24, 19, and 9 dollars, respectively, in Federal money.

Higher matching rates appear even more favorable when we examine the taxation effects of social programs. State and local tax rates are generally greater than 10 percent of the personal income of a geographic unit, and some State and local tax rates are in the 15 percent area. Generally, when a new dollar is spent among the poor in a State, there is a multiplier effect (obtained from the recycling of a dollar from the poor to the grocer to his wholesaler, who spends it with a food manufacturer, etc.) of about 1.33, or thereabouts. This means that a new dollar appropriated and spent in the State will return 13–20 cents to the State and local treasuries, depending upon the State. The result is that Model Cities spending in a State returns a "profit" to the State and local treasuries (that is, the public treasury actually gets back more in taxes than it gave out in appropriations from general revenue, secured through taxation). In programs where the matching is 20 or 25 percent, the total cost to State and local treasuries can be nothing (i.e., the money is "free") and is never greater than 12 cents for every dollar spent. Such programs then should be economically extremely attractive to budgetary decision-makers—and thus, through the force of economic argument, provide funding for the expansion of rehabilitation-oriented services. This was what Congress deliberately intended to accomplish by linking intensive, non-custodial services which result in rehabilitation to higher matching rates, on the average.

Eligibility Criteria

The next important point to know is that eligibility criteria for programs for the disabled and disadvantaged are "overlapping." That is, the eligibility criteria for one program cover some people who are also covered by a second program's eligibility criteria. For example, the public assistance programs require that, to be eligible for social services from public assistance agencies, a person must be a former or present assistance recipient, or be in danger of becoming one. On this basis, whole neighborhoods can be included, or whole income classes, on the argument that the probabilities of being on welfare for anyone in these geographic or income classes are extremely high (the argument could be extended to some occupational classes, also).

The vocational rehabilitation program does not require the satisfaction of an income criterion, but has required the satisfaction of some form of impairment criterion. Since many vocational rehabilitation clients are poor, and since many public assistance recipients are disabled, there is obviously a large group which is eligible for both programs. Those eligible for Labor Department training programs are often also eligible for the public assistance services program, or the vocational rehabilitation program, or both. At the same time, the children of the family may be eligible for Children's Bureau Children and Youth programs and for services authorized by Title I of the Elementary and Secondary Education Act, by virtue of where they live. Such examples could be extended to many other programs.

Multiple Programs

The next important point is that the same kinds of services may be given within, or be purchasable by, a number of different programs. For example, an analysis of the service portions of the literature of the Social Security Act and of the Vocational Rehabilitation Act indicates that there is a large amount of overlap between the services which may be given by either program. The same is true of many job programs and many education programs. Since the charters of many Federal programs indicate that the program is not to be organized around a service, but around the effect of its services on people, there need no longer be a fragmentation of services.

Interchangeability

A further important point is that of actual interchangeability of persons, services, and programs. Prior to the last two years, this interchangeability was only "potential." A number of changes in policy have now made it possible to mix program monies, services, and people. These changes include:

1. A directive from the Administrator of the Social and Rehabilitation Service to use the most effective matching in programs where two programs, previously-unrelated, are being carried on together.

2. "Freedom of contract" provisions in the Vocational Rehabilitation Amendments of 1968 and the Social Security Amendments of 1967, which make possible a variety of purchase-of-service agreements which were not possible before.

3. A loosening of the "state-wideness" provisions in the Vocational Rehabilitation Amendments, so that funds can be granted for the development of services in a given area. Formerly, grants could be made only for services that were available throughout the State.

4. Some administrative changes in interpretation of the public assistance service provisions which allow for the same "one area at a time" approach for welfare services as for vocational rehabilitation services.

Other Points on Federal Funding

There are a number of miscellaneous points that States and localities must know, in order to carry out the approaches described in this paper:

1. In order to receive Federal funds for public assistance, each State submits a plan indicating how the program will be administered. If this plan contains the language of "probability of becoming dependent", the program can have the flexibility described above. Many States have adopted the language already, but a number of them have not. Since the State is liable to be far worse off economically by not having such language, a forceful argument can be made that the language should be in the State plan.

2. It would appear useful that the State and localities of the State create legal entities empowered to accept private funds and State and Federal funds, and to mix them according to a "most effective matching" point of view.

3. In order to have full flexibility for such programs, a "multi-tagging" information system for each planning area should be developed, which would provide information on the way an individual did or did not satisfy the eligibility provisions of each of the programs.

Other changes are also needed to make the unified services approach even more a reality; however, those changes will probably be coming in the next few years, as public and private agencies and citizens gain more experience and become more aware of potential problems and roadblocks.

Once these "basics" of finding increased financing for rehabilitation services are understood, it is then possible to investigate some areas in which increases in such funding may be found.


BREAD AND JUSTICE
MORE $ $ $ NOW

How to Obtain Additional Funds

Some Federal funds for rehabilitation activities can be increased with relative ease through State and local activity within individual programs.

1. *Funding from Section 2 of the Vocational Rehabilitation Act.* Congress has traditionally been generous with the vocational rehabilitation program. Therefore, if States show increased resolution to do something about rehabilitation services, in the form of finding increased matching funds, there is some likelihood (although the actions of Congress are never predictable to the point of certainty) that increased Congressional appropriations will follow, at a favorable 80 percent Federal participation rate.

2. *Public Assistance Service Funding.* In the 1962 Amendments to the Social Security Act, incentives for rehabilitative services were included in the Act. Such spending comes—at the point of this writing, at least—from "open-ended" accounts. This means that whatever the States choose to spend on services for rehabilitating the disadvantaged, the dependent, and those likely to be, the Federal Government will provide reimbursement for 75 percent of the costs. Next to Section 2 VR funding, this is one of the most favorable rates available—and it provides a more "open-ended" funding source than does the VR program.

3. *Public Assistance Grants and Medical Assistance Vendor Payments.* States are now obligated to support their public assistance and medical assistance programs at the level given in their state plan (the handbooks of regulations which specify how these programs are to be administered). These levels are determined rather strictly at some points by Federal law. However, there is also much flexibility in these programs. For example, a State may save considerable amounts in public assistance grant matching by:

a. Using the "public assistance percentage" approach to funding public assistance, defining all special services as such, and extending the State's program to "small grant" cases. The savings from this approach can then be reinvested in rehabilitative services. Not all States can use such an approach usefully, because of the variable public assistance matching structure which exists under present legislation.

b. Instead of using a "public assistance percentage" approach, the State may convert—using Section 1118 of the Social Security Act—to the "medical assistance percentage." This can be done only by States that have a Title XIX (Medicaid) program. This can be accomplished by formally notifying HEW, using a simple procedure. Some States can save up to 12 million dollars per year in State funds by this technique. Such monies can then be reinvested in rehabilitation services.

A detailed explanation of both of these approaches, and a formula for deciding when to use which, are included in the appendix.

Some local funds can be made to go farther by changing the way that they are matched to Federal program funds.

1. Some locally spent funds are not used to match into any Federal program while, at the same time, a State or county is letting Federal funds which could be used for rehabilitative purposes lapse back into the Federal treasury. Some examples are:

a. *School social services funds in large cities which are being spent predominantly in neighborhoods with a high proportion of families in poverty.* Such funds are sometimes raised and spent locally without being attached to Federal funding available for poverty-area children. Such Federal funding, which returns one to three Federal dollars for every local or State dollar, is often available through Children's Bureau sources and Office of Education sources; it is always available, if used for prevention and cure of dependency, from public assistance sources.

b. *Private funds contributed for work among the poor.* Such funds can be matched with Federal funds to bring in one to three or four dollars of Federal money for each dollar of local money invested. Cooperative purchase-of-service agreements or other kinds of third-party agreements, made possible by the 1967 and

1968 amendments to the Social Security and Vocational Rehabilitation Acts, can thus double or even quintuple the rehabilitation services purchased.

The incentives to service expansion which are built into current law are also very strong financial incentives to cooperation between agencies whose work—even with less funds—may have been overlapping or may have ignored great areas of need for rehabilitative services.

2. There are programs in which the money for matching could be more usefully deployed.

For example, there are programs in which there is much "overmatching", that is, more local money is invested than is needed to attract the maximum Federal funds available to that State or locality. Some States have had health programs of this sort, while others have Manpower Development and Training programs, and yet others have over-matched for children's programs. While it is not always true, it is generally a good rule that no human resources program should ever be over-matched. Usually, there is some other program with similar goals and services, to which the money may be deployed. Or, the "excess" local money may be redeployed into another financing stream and the money "recirculated" into the original program of interest—thus considerably expanding it. In this way an excess of local and State money to match Vocational Education grants might be switched from vocational education to vocational rehabilitation or public assistance and used for scholarship programs for the poor and disabled who attend institutions providing vocational education. By this means, $100,000 of excess local matching in vocational education can provide $400,000 to $500,000 in scholarships to vocational education institutions, as part of a total program aimed at upgrading the disabled and disadvantaged far beyond the usual entry-level opportunities that are provided them in many programs.

The next form of redeployment is more complex, administratively and (sometimes) politically. Yet, ultimately, it is the most important form. This is the movement of monies out of programs in which there is no "excess" local matching, but in which the local or State matching is not as effective in attracting matching funds. For example, from an economic point of view, any services which go to poor children should not be financed through

Child Welfare matching in the Children's Bureau because a local dollar attracts only one Federal dollar. Such services should be financed through the public assistance program for children where a State or local dollar attracts three Federal dollars. Child welfare matching should be used for developing the "universal" aspect of children's social services, i.e., "middle-class social services," and public assistance service matching, which is far more effective economically, should be used for child welfare services to the poor. Analysis of human services spending programs in States and localities will suggest many more such examples.

Some local money can be matched more efficiently if there are redefinitions of services and some reorganization of functions. Here, the problem is that some services are defined within one program category which should be in another. For example, in a number of States, the need for special diets is now the concern of intake workers in public assistance. Yet, the need for such diets could be more adequately determined by a physician or dietician, and this would classify as a special services activity. The use of special diets would then be financed, not at the public assistance rate (i.e., at some matching rate lower than 75 percent for most States), but at a 75 percent matching rate. Another advantage is that this system, by saving the time of intake workers, would reduce public assistance operating costs.

Such examples can be multiplied. For example, large city and county hospitals in large industrial States have many patients who are medically needy and for whom there is Medicaid reimbursement, usually at a 50 percent matching rate (one State dollar attracts one Federal dollar). Many of the services provided to these patients, however, can be classified as social services, which can be financed under the public assistance service titles of the Social Security Act with one State dollar attracting three Federal dollars. What this means is that "continuity of care," which has been a talking point for some years, without much action, can now become a reality with no additional investment of local money. That is, if a public hospital organized a discharge and referral unit—or if such a service were sold to the hospital by another private or public agency—to make sure that patients left the hospital at the medically optimum time, and no later; to make sure that patients are referred to the level of nursing care they need, if they need nursing care; and to make sure that patients who can live at home with homemaker services are provided those services, the hospital could reduce its own staff, or finance that staff on a more favorable basis, and—at the same time—provide services to reduce the number of excess hospital days, as well as to assure the level of care closest to the patient's needs. Similar approaches can be applied to mental hospitals under Section 1121 of the Social Security Act.

Thus, a combination of redefinition of services, and reorganization of function, can assure a more rehabilitative approach to the disabled and disadvantaged. This would make State and local funds go further and provide services more efficiently.

A Defense of the Author's Suggestions

It can be charged that the approach outlined above is a way of "maximizing the Federal buck," and therefore is "too crass." It can be charged—and it has been.

There are two ways to reply to such a charge. The first is to accept the charge and to argue that this is the way the "system" is set up and, so long as it is, we should make the most of it. That is, it can be argued that the democratic process allocates financing according to a combination of rational argument, irrational argument, and the various pressures of interested groups. It is, therefore, up to those interested in each problem to get as much through Congress and the State legislatures as is possible. It is also arguable that what is good for any other interest is also good for the interest of the poor. Therefore, if we, who come together in the interest of the disabled and disadvantaged, are not to do what we can to advance their cause, who will?

The second kind of reply that can be made is really the more substantive one. That is, our national legislature has developed some ingenious methods for advancing the state of rehabilitative services, through various kinds of financial incentives.

Despite this, it is often said by those who favor human investment approaches for the development of our society that "the priorities are all wrong", and that money is being spent on the wrong areas of life. This does a wrong to Congress.

By including large incentives for rehabilitation of the poor and the handicapped, Congress has said—in effect—*if the States wish to have a part in changing spending priorities, they can.* That is, individual States and local governments who wish to invest heavily in rehabilitation services may do so at very little cost to their own public treasuries. Indeed, for some States, increased investment in such services and reallocation of current spending actually results in increased State and local tax collections and in decreased costs in the more expensive areas of human services; that is, such policies actually return a "profit" to the public treasury. Because the proportional increase in Federal grants to States for these programs is greater than proportional increases in other Federal programs, the increase in taxes being pulled out of the State is much, much smaller than the increased flow of new Federal funds into the State for human services.

This holds true until all States take full advantage of Federal programs. Then, the flow of Federal taxes out of the State is larger than before, but is still smaller than the increased flow of Federal funds into the States, because non-human services programs will not have increased, proportionately, as much. As a result, the States and localities will have significantly increased—on a do-it-yourself basis—the proportion of total national spending going into rehabilitative services. Such an approach, therefore, can carry us a long way down the road to finishing the job of turning consumers of taxes into payers of taxes.

Appendix

A. A Procedure for Deciding on Alternative Public Assistance Matching Strategies

1. To Calculate Approximate State Shares from Published Statistics
   - A. Adult Programs
     1. Calculate Average Grant for All Adults
        - (a) Sum All Adult Program (AB, APTD, OAA) Total Spending
        - (b) Sum All Adult Program Recipients
        - (c) Calculate Average (Ave.) Adult-Grant (a)/(b)
     2. Calculate Federal Proportion under Public Assistance Matching Percentages
        - (a) If Ave. is no greater than $37.00 per recipient per month, Federal proportion is $31/37 = .8378$.
        - (b) If Ave. is greater than $37.00, but no greater than $75.00, the Federal proportion is $(31 + 38p, \div (75)$, where $p =$ Federal percentage $\div$ (100).
   - B. AFDC Program
     1. Take Ave. monthly grant per recipient from table.
     2. If Ave. grant is no greater than $18, Federal proportion is .8333.
     3. If Ave. grant is greater than $18, but no greater than $32, then the Federal proportion is $(15 + 14\ p) \div (K)$, where $p =$ Federal percentage $\div$ (100), and $K =$ Ave. monthly grant.
   - C. All Programs
     1. Adult Programs

Multiply Adult Program Federal proportion by total monthly spending for Adult Programs. The result is the Federal Share in the Adult Programs.

2. AFDC
   Multiply the AFDC Federal proportion by the total monthly spending for AFDC. The result is the Federal share in the AFDC Programs.
3. Add the Federal Shares for the Adult and AFDC Programs
4. Add Total Spending for the Adult and AFDC Programs
5. Calculate [(3) ÷ (4)] [100]. This is the Federal share percentage for the State's Public Assistance Program

2. To Decide on Standard Matching (as illustrated above in 1), versus "Medicaid Matching," compare your State's "Medical Assistance percentage" with your State's Federal Share percentage; if the Federal share percentage is higher, stick to the old method of matching; if the Medical Assistance matching is higher, invoke Section 1118 of the Social Security Act.
3. Possible Actions to be Taken by the State.
   After the comparison has been made, there are two kinds of decisions to be taken by State:
   a. Should the State adopt the more "profitable" course or keep the old matching method and adopt a new case strategy?
   b. If the State adopts the more "profitable" course, how should it use the "profit"?

In making the first decision—which matching strategy to adopt—the answer is clear when there is a fairly large difference between the two proportions: simply accept the strategy which is more profitable for the State. The State will then remain as it is or invoke Section 1118 of the Social Security Act. When the two proportions are close together, however, another kind of strategy is possible. If the State has a large pool of potential "low-grant" cases, who are not now on the rolls, these persons can lower average grant amounts significantly. For those States where average grants tend to already be above the maximum Federal participation points, an emphasis on "low grant" cases can actually be more profitable to the State's fisc than a conversion to the Medical Assistance matching basis.

If the decision has been made to move to Section 1118 matching, the State faces a second decision—should it utilize the benefit of the change as:

i. a direct offset to rising State taxes

ii. a method of increasing assistance grants without additional cost to the State

iii. seed money in developing a large increase in services oriented toward improving employment skills of the State's poor and in "deinstitutionalizing" all of those currently out of the State's labor force (e.g., in mental hospitals, mental retardation institutions, prisons, etc.).

Although there are methods for deciding upon the "goodness" of the three alternatives in a rational fashion, this is not the place to discuss them. However, it is reasonable to conjecture that alternatives i. and ii. are about equally good in most States, given a criterion of "return to people of the State," with i. somewhat ahead of ii. However, there is another criterion—that of equity. According to that criterion, ii. is probably better than i. Alternative iii., however, will probably dominate both i. and ii., on both financial return and equity criteria, from the point of view of the population of the State. If the savings from a different matching strategy are then applied to employment/productivity and independent living goals for the State's people, the financial returns can be extremely large, as we have shown in other parts of this paper. Further, the spending of the savings in this way will tend to redistribute State income to the poor also, in greater amounts than would a simple increase in assistance grants.

4. Some Cautions:

The procedure given is somewhat inexact for a number of reasons. There are two important ones:

a. The published statistics include administrative and service accounts funds, as well as assistance grant funds. The administrative matching percentage is 50 percent; the service matching percentage is 75 percent (Federal share). This will introduce inaccuracies into the estimates. However, since the procedure is only a "firststage" estimate, it will be adequate for the purpose.

b. Published statistics for any one month are an inadequate basis for planning a decision which is dependent upon future events, i.e., the differential growth or decline of the four categorical programs. For example, OAA and AB programs have been relatively stable, while APTD and AFDC programs have been growing. Each of these programs has differing financial standards. Decisions on the expected future benefits of a State's matching policy should be—to some extent—a function of the current and proposed grant levels in each program and the rate of growth (or decline) expected in each program. Therefore, analysis of both seasonality and trend in the assistance rolls is an important ingredient in the decision.

5. An Algebraic Approach to the Comparison

Define the following quantities and their relationships:

T_{ij} = Total monthly spending for categorical assistance program i; i = 1, 2, 3, 4, in State j; j = 1, . . . , 54, and

Program 1 = OAA
Program 2 = APTD
Program 3 = AB
Program 4 = AFDC

p_j = Federal program for variable part of Federal matching formula for public assistance (and P_j ⊗ 100 = Federal percentage) for State j.

N_{ij} = No. of recipients in the ith program in the jth State.

Ave_{ij} = Average monthly spending per recipient in the ith program in the jth State.

F_j = Federal proportion of total spending under public assistance matching.

f_j = Federal proportion of total spending under medical assistance percentage (Sec. 1118) matching.

$$F_{adult,\,j} = \begin{cases} 31/37, \text{ if } Ave_{adult,\,j} \text{ is less than or equal to \$37.} \\ \dfrac{31 + 38p_j}{Ave_{adult,\,j}} \text{ if } Ave_{adult,\,j} \text{ is greater than \$37.} \end{cases}$$

$$F_{child,\,j} = \begin{cases} 15/18, \text{ if } Ave_{child,\,j} \text{ is less than \$18.00} \\ \dfrac{15 + 14p_j}{Ave_{child,\,j}} \text{ if } Ave_{child,\,j} \text{ is greater than \$18.} \end{cases}$$

$$F_{All\ Programs,\,j} = \frac{(F_{adult,\,j} \times T_{adult,\,j}) + (F_{child,\,j} \times T_{child,\,j})}{\text{Sum } T_{ij}}$$

If $F_{All\ Programs,\,j}$ is significantly larger than f_j, stay with public assistance percentage matching.

If $F_{All\ Programs,\,j}$ is significantly smaller than f_j, convert to Section 1118 matching.

If $F_{All\ Programs,\,j} = f_j$, investigate "low-grant"strategy.

B. A List of Federal Programs and Amounts of Appropriations

This list of programs is incomplete in several ways. It does not include all Federal programs. It is far from complete in listing the State matching funds now available. There is no list or estimate of State and local funds which are potentially matchable. For example, the nearly two billion dollars of mental health and mental retardation spending which would be available, in part, in a well-mixed program, has not been covered at all. Nevertheless, the list provides an estimate of the money available now for rehabilitative services, for the subsistence of the poor and the disabled while they receive these services, and the money for economic development which provides jobs for those brought into the labor market through rehabilitation.

The fact that about 60 billion dollars is potentially available for the poor, when compared with what we see around us, makes us aware that these monies—which are mainly defined as applying to a target population of about 40 million people—are not reaching their targets in a completely efficient manner or, in some cases, not at all. The very size of the amounts, and our fantastic lack of knowledge of the incidence of these benefits—Who gets them, when, and how?—should lead us to some closer studies of the actual flow of these funds into communities. Only then will we be able to say with confidence whether the financing of rehabilitation services is really adequate; and, if it is not, what we should do about finding ways to manage this spending in such a way that it does the job we expect of it.

MONEY[1] AVAILABLE FOR THE FINANCING OF REHABILITATION SERVICES—Fiscal 1969

I. Specifically for the Financing of Services (in millions of dollars)

A. Department of Health, Education, and Welfare

1. Social and Rehabilitation Service	
a. Vocational Rehabilitation Services:	
(1) Basic support of State VR Programs:	
a. Federal	$ 345.9
b. State	115.3
(2) Innovation and Expansion of Services	12.0
(3) Rehabilitation Facilities	13.3
b. Mental Retardation	44.6
c. Maternal and Child Health Programs:	
Federal	$ 209.2
State	170.0
d. Child Welfare	56.2
e. Aging Programs	32.3
f. Juvenile Delinquency Prevention and Control	5.0
g. Rehabilitation Research and Training	64.0
h. Assistance to Refugees in the U.S.	68.0
i. Public Assistance Social Services and Administration:	
Federal	$ 594.8
State	361.7
j. Work Incentives Program	117.0
k. Medical Assistance Payments:	
Federal	$2,311.2
State	2,112.8
SRS Total	$6,633.3

[1] Monies listed are Federal, unless otherwise noted.
State Matching monies available are listed only as given in the Federal Budget document. States supply much more than those monies noted.

2. Social Security Administration
   a. Vocational Rehabilitation Services for Persons Receiving Disability Benefits . . . $ 17.2
   b. Vocational Rehabilitation Services for Disabled Dependents of Beneficiaries 9
   c. Benefit Payments under Medicare . . . $4,468.3

Social Security Total . . . $4,476.4

3. Office of Education
   a. Programs for the Educationally Deprived . . . $1,123.1
   b. Dropout Prevention 5.0
   c. Bilingual Education . . 7.5
   d. Teacher Corps . . 20.9
   e. Higher Education for Disadvantaged Students 33.8
   f. Vocational Education . 248.2
   g. Adult and Basic Education 45.0
   h. Public Libraries . . . 24.1
   i. Handicapped Aid 79.8
   j. Research and Development 75.0

Office of Education Total . . $1,662.4

4. Public Health Service
   a. National Institute of Mental Health
      i) Research and Training . $ 211.5
      ii) State and Community Programs & Narcotics Treatment . . . 118.7
   b. Health Services R&D Center 37.4
   c. Community Health Services 191.9
   d. Regional Medical Programs . 117.2
   e. Hospital Construction . . . 271.5
   f. Indian Health 119.5
   g. Health Manpower 172.2

Public Health Service Total . $1,239.9

DHEW Total for Services . . . $14,003.9

B. Department of Agriculture

1. Federal Extension Services	$	97.0
2. Farmer's Cooperative Service		1.3
3. Rural Renewal Program		1.6
4. Rural Housing for Domestic Farm Labor		4.3
5. Housing for Rural Trainees		5.0
6. Technical Assistance for Mutual and Self-Help Housing		4.0
Department of Agriculture Total	$	113.2

C. Appalachian Regional Development

1. Health Projects	$	25.2
2. Vocational Education Facilities		14.1
3. Supplemental grants for Federal Grants-in-Aid to Rehabilitation-Related Activities		19.2
Appalachian Regional Development Total	$	58.5

D. Department of Labor

1. Manpower Development and Training Activiies	$	418.0
2. Federal-State Employment Service Systems		306.9
Department of Labor Total	$	724.0

E. Department of Housing and Urban Development

1. Model Cities	$	75.0
2. Low Income Housing Demonstration Programs		2.0
HUD Total	$	77.0

F. Veterans Administration

1. Subsistence Allowance for Disabled Veterans in Vocational Rehabilitation and Education Programs	$	20.8
2. Readjustment Benefits to Disabled		

Veterans (Voc. Rehab., etc.)	$ 16.2	
3. Medical Care	1,460.7	
4. Prosthetic Research	1.4	
5. Hospital and Domiciliary Construction	111.0	
Veterans Administration Total	$1,610.1	
Total for all services spending		$16,586.7

II. Specifically for Consumption Programs

1. DHEW	
a. Public Assistance	
Federal	$ 3,425.4
State	2,431.5
b. Social Security (OASDI)	27,255.7
2. Department of Labor	
a. Employment Security	
Federal	354.2
State	2,814.1
3. Department of Agriculture (food stamps, school lunch, etc.)	1,039.6
4. Veterans Administration	4,633.5
Consumption Programs Total	$41,954.0

III. Specifically for Economic Development

1. Economic Development Administration Department of Commerce	$ 255.0
2. Appalachian Regional Development (exclusive of service-oriented funds)	184.8
3. Department of Housing and Urban Development	
a. Grants for Neighborhood Facilities	43.0
b. Urban Renewal	1,100.0

c.	Rehabilitation Loan Fund	$ 26.5
d.	Low-Rent Public Housing	646.7
e.	Community Development Training Programs	3.0
f.	Comprehensive Planning Grants	43.9
g.	Public Facility Loans	50.0
Economic Development Total		$2,352.9

C. An Example—Day Care

Working Mothers as Primary and Secondary Wage-Earners—
The Dilemma of the AFDC Mother

Consider the problem of the wife with a working husband and minor children. Her husband's income may be inadequate for all the family's needs and aspirations. If the wife is to go to work, and add her income to her husband's, then their total income may be adequate to their needs. However, in this case, the wife works as a secondary family wage-earner—not the primary one.

The problems of the mother with minor children, but without a husband, are greater. She must now become the *primary* wage-earner for her family; that is, she has the need to earn somewhat more, for the same number of children, than the mother of minor children who is the secondary wage-earner in her family.

Beyond this, we have the problem of the AFDC mother. She is the mother of minor children, is without a husband, and hence must be the primary wage-earner; but—on the average—she faces the labor market with less valuable marketable skills than those women who need only be secondary wage-earners.

Therefore, if the AFDC mother is to be able to function as the leader of an adequate economic unit in society, there are two kinds of problems to be overcome:

1) The fact that her marketable skills have a lower value than those of the average woman in the labor force;
2) The fact that she needs a total income which is higher than the average for most women.

Under current conditions, there would seem to be three possible desirable alternatives for the AFDC mother who does not marry or remarry, so long as she has minor children:

a) Support the mother with such training services as are needed to make her an above-average wage-earner, so that she can support her family, including child-care services of the quality needed. This has been the goal of the War on Poverty, the Labor Department's Manpower Program, and those in social welfare.

b) Support the mother in such fashion, both with money and non-money services, that she can raise her children—without working— in such a way that they are not "in training to become the next welfare generation." This has been the declared goal of those in social welfare, as a "fall-back" goal, if a) could not be attained.

c) Support the mother with such training services that are needed, so that she can work at some job; supplement her income so that any inadequacies for family support are made up, if needed; supplement her income (indirectly) further by providing free or nearly free day-care services.

There are other alternatives which are less desirable.

d) We can put the mother to work at whatever job her current skills might satisfy (e.g., laundry work, dietary maid work in hospitals), and have her children kept in so-called family day-care centers (so that the child-rearing problems which exist in an environment which cannot support adequate child-rearing practices in one family can be doubled or tripled in intensity).

e) We can keep the mother at home with her children on a grossly inadequate benefit schedule, no child-rearing training and without the requisite compensatory educational and medical services, such that the family becomes a long-term "poverty-factory" and welfare-cost generator.

Our taste for d) or e) will depend upon our prejudices about the goodness of "bleeding heart" versus "rock'em, sock'em Protestant-ethic" solutions, although the total costs over the long-term are probably as high for this kind of job-getting "solution" as for the "keep her at home solution." For the one solution, we have salved our own consciences by making sure that the mother has entered the "economic mainstream"; for the other, we shall have salved them by "keeping the family unit together." In neither case, however, have we solved anything, because we have not reached the fundamental goals—*which are to put the mother in a position to be as independent as possible while minimizing the probability that her children will need to enter the welfare rolls as adults.*

The recent Social Security legislation provides for an employment program for AFDC mothers which is to be supported by expanded day-care center operations, in order to free AFDC mothers for training employment.

However, only if services for the mother help her to upgrade her job skills, her child-rearing skills, and her home-management skills, can we expect the mother to approach anything like independence in the long run.

Only if the child receives consistent extra help during his early years, and through his 10th or 12th year—either through the upgrading of the mother's child-rearing and personal early-childhood education skills or through skilled stimulus-enrichment-oriented day care—can the child be assured a decent probability of not being forced to join the assistance rolls during his later life.

A fragmented program, in which there is some family day care over here, some prevocational training over there, some job training elsewhere, some day care licensing and supervision activities in another place, early childhood education in another, and remedial education in another, simply will not provide such help and service—and will not solve the problems that the poverty neighborhood raises.

What is needed here is an integrated approach which teaches the non-working mother how to stimulate the child and to provide an orderly environment for the child's growth; prepares the mother, working or non-working—in a sequenced series of steps—for economic independence; assures that the child will be stimulated when the mother is working; and is carried out in such a way that we can systematically observe what is working, what is not, and where the new problems are arising.

What is needed is a comprehensive day care center, which also serves as the administrative, licensing, training, and personnel backup for all family day care centers and all mothers in the home—for a well defined neighborhood area—coordinating the efforts of the school system and the public welfare system for all early childhood education and all off-hours special education (remedial and other) activities. This conception, which displays how inter-agency coordination can be successfully carried out at a line level, and how effective use can be made of inter-agency agreements and purchased services, is—paradoxically—less expensive for State and local governments than is non-comprehensive day care.

In fact, day care center networks developed under this concept can be financed on a 1:30 State-Federal matching basis, providing intensive day care services at $50–$60 per child, per year, as the State share.

Services to be Provided by the Centers

The center and its satellites would provide the following services:

1. Day-care services.
2. Special early childhood education services.
3. Later childhood education services, with emphasis upon intensive reading services.
4. Training of AFDC mothers and family-care substitute mothers:
   a) Training of AFDC mothers for aide work in the comprehensive center.
   b) Training of those AFDC mothers in the area who would stay home with their children in:
      i) Stimulus enrichment techniques for work with their own children
      ii) Home-Management techniques.
   c) Training of family-care substitute mothers in stimulus-enrichment child-care techniques.
5. Administration of a network of family day-care centers within the neighborhood of the comprehensive centers; ongoing training of family day-care substitute mothers; consultation on planning in family day-care homes; provision of a "swing group" of family day-care substitute mothers, for cases of illness and emergencies among the regular substitute day-care mothers; licensing of family day-care for the catchment area.

Neighborhood Planning and Evaluation of Results

While there has been much talk of "planning" in health and welfare over the past 20 years, it is only recently that some welfare and welfare-oriented agencies have taken seriously the total needs of the people within a particular geographic area, socio-economic, or ethnic grouping.

Although the "neighborhood service center" concept has made a great deal of headway, it seems not to have been associated with day-care—except in some public housing ventures in New York City. Yet, one of the most pervasive needs in the poverty neighborhood is some form of day care, as the means of purchasing the freedom for the mother to upgrade her skills. to rear her children, to manage her home, and to acquire a decent job.

It would seem reasonable, then, to approach planning for day-care services as a subspecies of planning the city's training and educational services system for the poor, in cooperation with the school system, and on a neighborhood by neighborhood basis, to build the services that will compensate for a bad environment.

The planning should satisfy the following criteria:

1. It should be done in such a way that all those in a given area who have day-care needs should be able to have them satisfied.
2. It should assure that, for any given class of day-care need, some basis should be available to satisfy it.
3. It should assure that the amount of day-care of each kind that was made available in an area was neither too much nor too little for the pattern of needs for that area.
4. It should be flexible enough to assure that the pattern of day-care given in one neighborhood would not be exactly replicated in every neighborhood.

Such planning requires the capacity to predict the demands of those impinging systems (e.g., the employment service) that set the pattern of need for an area. It also requires an understanding, in detail, how AFDC families are geographically distributed through a city, according to their likely day-care-need types. That is, to plan rationally the probable day-care needs of a given family must be easily predictable, thus allowing for "test patterns" in setting up boundaries. This implies the prior ability to predict the mother's destiny under the job referral program.

"Day-care service districts" can then be defined which would be consonant with the upper and lower size limits of a complete neighborhood day-care service program and with the district constraints set by the transport system for the mothers and the school system for the children (although it is possible that a jitney service and a less expensive location could substitute for a more expensive location which satisfied these distance/size constraints).

The actual definitions of a project area, in the planning and development of the demonstration neighborhood network would proceed through designation of a catchment area, in a poverty area of the demonstration city, where all children, ages 0–13, would become the potential day-care responsibilities of the center (although children in the area would not be restricted to that center, if they were already being cared for in some other one).

Of the AFDC mothers in the area, some would be placed in employment or training in places other than the center. Their children would be admitted to the center or to family day-care within the area.

Other mothers in the area would, after referral to the employment service, be referred back to the comprehensive center to be trained as aides for the center or for family day-care responsibilities. Their children would be cared for wherever they were assigned.

The best current mission for the remaining AFDC mothers would be to stay at home with their children. Places would be designed into the comprehensive center for groups of these mothers and their children, so that the mothers could be trained in the same kinds of child-care and stimulus enrichment techniques that the full-time aides learn. Further, basic education for household management would be given to these mothers at the same time, as a basis for improvement of family functioning.

Financing the Comprehensive Center and its Satellites—The Cross-Matching Technique

Congress, under the Social Security Amendments of 1967, has —by allowing public welfare departments to contract freely for services—made possible the financing of the comprehensive center on a 1:16 basis (6.25 percent State money) through a cross-matching technique. The success of the technique depends upon the ability of the welfare department to enter into some arrangement to take over, administratively and financially, or only financially, school social services (either just those services for AFDC and poverty-impacted, "potential" assistance client neighborhoods, or the total school social service system). With the unmatched local money that is displaced from school social services (and this is likely to be nearly 100 percent local money), the school system can then contract with the public welfare system for one of them to run comprehensive day care (or to contract it out), with the school system paying for the educational component and the welfare system for the rest. The school system's freed-up, unmatched school social services money can be used for matching with Federal money on an 85:15 basis. *The result is that the comprehensive day care center (at $1660 total cost per child per year) can be financed for no more (or even less) expenditure of State and local funds than can family day care (at $500–$800 per child per year) when it is rendered outside of a network (since family day care lacks the educational component).*

Sources of Financing

Not all financing would come from Public Assistance sources. Some other possible sources are also involved. Sources for components of the center's activity may include:

1. Day-care and Childhood Education components—cross-matching.
2. Food—School Lunch Program or cross-matching.
3. Development of Aide Curricula and Family Day-Care Curricula—Office of Education (Title I–309b) or Social Security Amendments of 1962 or 1115 money.
4. Development of Early Childhood Education Curricula—ESEA money or Children's Bureau research grants or OE research grant or 1115 money.
5. Development of Detailed Planning Guidelines—1115 money or other SRS source.
6. Training of Project-Organization People—1115 money or other SRS source.
7. Reading Materials—Library Services money, ESEA.

8. Training of mothers in stimulus enrichment, child-rearing and household management—Public Law 90–248, Labor Department.
9. Training of aides—Cross-matching or P.L. 90–248, Labor Department.

Some Rough Program Size Estimates

Children in center at any one time		120
Permanent	90	
Children of mothers-in-training	30	
Children in family day-care		300
Children in families of mothers-in-training who have completed training at end of year (assuming six groups per year)		180
Total children involved in center activities over year		570
Children involved at any one time		420
AFDC mothers involved as aides		18
AFDC mothers trained in mothers' training program—six classes of eight, per year		48
Number of women trained in short courses for family care		60
Total Adults Trained—AFDC and Other		120

Total Regional Staffing for One Center

1	Day-Care Administrator
1	Master Teacher
16	Aides for Center (14 Months—includes training)
2	Cooks
2	Custodian-Drivers
4	Staff Teachers
2	Mother-Training-Program Teachers
6	Aide-Substitutes for Center and Family Programs, Licensing and Administration of Family Program
2	Family-Care Program Administrators
4	Clerical Staff
2	Nurses—Public Health
1	Kitchen Worker
1	Part-Time Physician
60	Family Day-Care "Substitute Mothers"
104	Total

☆ U.S. GOVERNMENT PRINTING OFFICE: 1969 0—360-800